

**2007 No. 3532**

**INCOME TAX**

**The Registered Pension Schemes (Authorised Member  
Payments) Regulations 2007**

*Made* - - - - *14th December 2007*  
*Laid before the House of Commons* *17th December 2007*  
*Coming into force* - - *7th January 2008*

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 164(f) of the Finance Act 2004(a) and now exercisable by them(b).

**Citation and commencement**

1. These Regulations may be cited as the Registered Pension Schemes (Authorised Member Payments) Regulations 2007 and shall come into force on 7th January 2008.

**Prescribed authorised member payment relating to inherited estate on reattribution**

2.—(1) For the purposes of section 164(f) of the Finance Act 2004 (authorised member payments) a payment made by a registered pension scheme to or in respect of a person who is or has been a member of the pension scheme is of a description that is prescribed if the payment meets conditions A, B and C.

(2) Condition A is that the payment is made as part of a scheme which—

- (a) makes a reattribution of the inherited estate of a person who carries on with-profits business, and
- (b) is made or sanctioned by a court of competent jurisdiction.

(3) Condition B is that the payment is made to or in respect of the registered pension scheme's with-profits policyholders in exchange for giving up rights and interests over the inherited estate.

(4) Condition C is that the payment does not reduce the total value of the sums and assets held for the purposes of the registered pension scheme.

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(a) 2004 c. 12.

(b) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50 of that Act provides that in so far as it is appropriate in consequence of section 5 a reference in an enactment, however expressed, to the Commissioners of Inland Revenue is to be read as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(5) In this regulation—

“inherited estate” has the same meaning as in the Conduct of Business sourcebook issued by the Financial Services Authority<sup>(a)</sup>;

a “retribution” means a redefinition of rights and interests of the with-profits policyholders mentioned in paragraph (3) over the inherited estate; and

“with-profits business” has the same meaning as in the Conduct of Business sourcebook issued by the Financial Services Authority.

*Dave Hartnett*  
*Mike Hanson*

14th December 2007

Two of the Commissioners for Her Majesty’s Revenue and Customs

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<sup>(a)</sup> The Conduct of Business sourcebook is made by the Financial Services Authority under the Financial Services and Markets Act 2000 (c. 8).

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

In the Finance Act 2004 (c. 12), Part 4 makes new provision for pension schemes; and section 164 of that Act provides that the only payments a registered pension scheme is authorised to make to or in respect of a member are those specified in that section. Section 164(f) of the Finance Act 2004 provides for authorised member payments to include payments of a description prescribed by regulations.

These Regulations exercise that power to prescribe payments made to with-profits policyholders by a registered pension scheme. The payments must be made as part of a scheme which makes a reattribution of the inherited estate of a person who carries on with-profits business, and which is made or sanctioned by a court of competent jurisdiction. The payment must be made to those with-profits policyholders in exchange for rights and interests over the inherited estate given up by those policyholders, and must not reduce the total value of the sums and assets held for the purposes of the registered pension scheme. These prescribed payments accordingly become authorised member payments for the purposes of Part 4 of the Finance Act 2004.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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**£3.00**

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E1741 12/2007 171741T 19585